

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	Hungary	REPORT	
SUBJECT	Borsod District Engineering Factory	DATE DISTR.	17 December 1954
DATE OF INFO.		NO. OF PAGES	5
PLACE ACQUIRED		REQUIREMENT NO.	RD
		REFERENCES	

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1. Location.

The Borsod District Engineering Factory (Borsodvidéki Gépgyár) is located at 34 Zsolcai Kapu, Miskolc, with premises also at 3 Zsolcai Kapu, in the center of the town. It is flanked on one side by an important public building, probably a post office [the telephone directory gives a post office at No. 367, and on the other by a dwelling. The factory has a depot in the same street, but on the opposite side. 25X1

2. Production.

a. Range of products:

25X1

- (1) Hydraulic presses
- (2) Mechanically operated presses
- (3) Components and pipe assemblies for hydraulic presses.
- (4) Automatic, hydraulic pressing machines for filling shells with high explosive charges.
- (5) Iron sections for buildings and industrial plants.
- (6) Castin (iron only).

b. Production priorities:

The most important line of production is the automatic pressing machines for filling shells.

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- 2 -

25X1

3. Material.

Sources of supply of only the following materials are known:

- | | |
|---------------------------------|-----------------------------------|
| a. Sections, bars, angles, etc. | Diosgyör Metallurgical Works |
| b. Tubes | Mátyás Rákosi Metallurgical Trust |
| c. Scrap | Vafém Scrap Depots |
| d. Coke, pig iron | Argi Depots |
| e. Plates, etc. | Ózd Metallurgical Works. |

4. Destinations of Products.

a. Export consignees:

Up to 1953 this factory had no export orders. But there were negotiations in progress with Rumania for automatic hydraulic pressing machines for filling shells. A delegation from the so-called Rumanian Soda Factory visited the factory in 1953.

b. Internal consignees:

- | | |
|--|--|
| (1) Armaments plants engaged on filling shells | Automatic shell-filling machines. |
| (2) Heavy industry enterprises | Mechanical and hydraulic presses. |
| (3) Diosgyör Metallurgical Works | Iron sections for reconstruction of factory buildings. |
| (4) Sundry industrial concerns | Iron castings. |

5. Transport.

Transport of incoming materials and outgoing products is by trucks and horse-drawn wagons.

6. Power.

Only electric power is used; this is supplied from the national grid. There is no alternative source of supply in an emergency.

7. Labor.

- a. The number of employees is 850 - 900, of whom very few are women. Before nationalization of the concern in 1948, it was a smallish enterprise with not more than 250 - 300 employees. The planned development of the plant allows for an increase to 1,200 employees.
- b. Work is in two 8-hour shifts.
- c. There is a good deal of absenteeism, particularly in the summer, a large part of the workers coming from farms.
- d. There are very few skilled workers and experts; the hasty development of this factory made it necessary to use unskilled men especially trained for the work. Moreover, it is particularly difficult to find skilled labor in Miskolc because the Diosgyör Metallurgical Works and the Diosgyör Engineering Works attract most of the skilled workers of the district.
- e. The employees come to work by trains and streetcars.

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- 3 -

25X1

8. Machinery.

- a. There are about 100-120 metal-working machine tools of all kinds, of which about 50% have been acquired since 1948 and are in good condition. The remaining 50%, however, are old and badly worn.
- b. The following vital machine tools are lacking:
 - (1) Large planing machines,
 - (2) Large milling machines.
- c. The factory is poorly equipped with measuring tools and instruments. There is no test room, and there are hardly enough of the most simple measuring tools such as micrometers, gauges, and calipers.
- d. Internal handling is carried out by cranes and manpower.

9. Quality and Quantity Control.

- a. Control of efficiency is similar to the Gsepel Automobile Works.
- b. Quality control is carried out by 26 inspectors.
- c. The reject rate is not high because no great precision is required in most of the products. Only the components forming the hydraulic devices require precision, and for these there is careful supervision.

10. Bottlenecks.

- a. Serious bottlenecks in the past were due to the following:
 - (1) Lack of labor, particularly of skilled men and expert technicians. This was due to the rapid growth of the enterprise.
 - (2) Lack of space. Since the factory is in the middle of the town there is no possibility of expanding. Some neighboring houses have been converted into work shops, but there is still insufficient floor space.
 - (3) Lack of sufficient large-sized machine tools, particularly lathes, planing machines, and milling machines.
- b. The same bottlenecks were affecting production in 1953.
- c. A serious bottleneck could be deliberately created by sabotaging the power supply.
- d. The chief foreman responsible for the assembly and erecting of the automatic shell-filling plant is believed to be the only person acquainted with this work. His elimination would adversely affect production of this equipment.
- e. Production in general would be adversely affected if the cupola furnace or the machining shop were put out of action.

11. Security.

There are no special security precautions. People entering and leaving are checked only at the main entrance. There are no armed guards.

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- 4 -

25X1

12. Organization.

- a. The factory is subordinate to the Directorate for Plant Machinery Engineering in the Ministry of Metallurgy and Machine Industry.
- b. The expert for assembling the automatic shell-filling press is Balog (fnu), known as Balog Bacsi (uncle Balog). He is 65-70 years of age.

Legend to the enclosed plan of the Borsod District Engineering Factory:

1. Zsolcai Street
2. Entrance for pedestrians
3. Entrance for motor transport
4. Porter's lodge
5. Canteen and kitchen
6. Welding shop (a wooden building in dilapidated condition).
7. Assembly shop (no walls, only roof).
8. Machining shop
9. Foundry (new building completed 1950-1)
10. Testing of hydraulic shell-filling machine.
11. Locksmith's shop.
12. Offices
13. Offices of the director and the chief engineer.
14. Open-air iron and steel depot.
15. Entrance (locked and out of use).
16. Dwellings
17. Post office building.

Annex: Sketch-plan of the Borsod District Engineering Factory, Miskolc (1 page).

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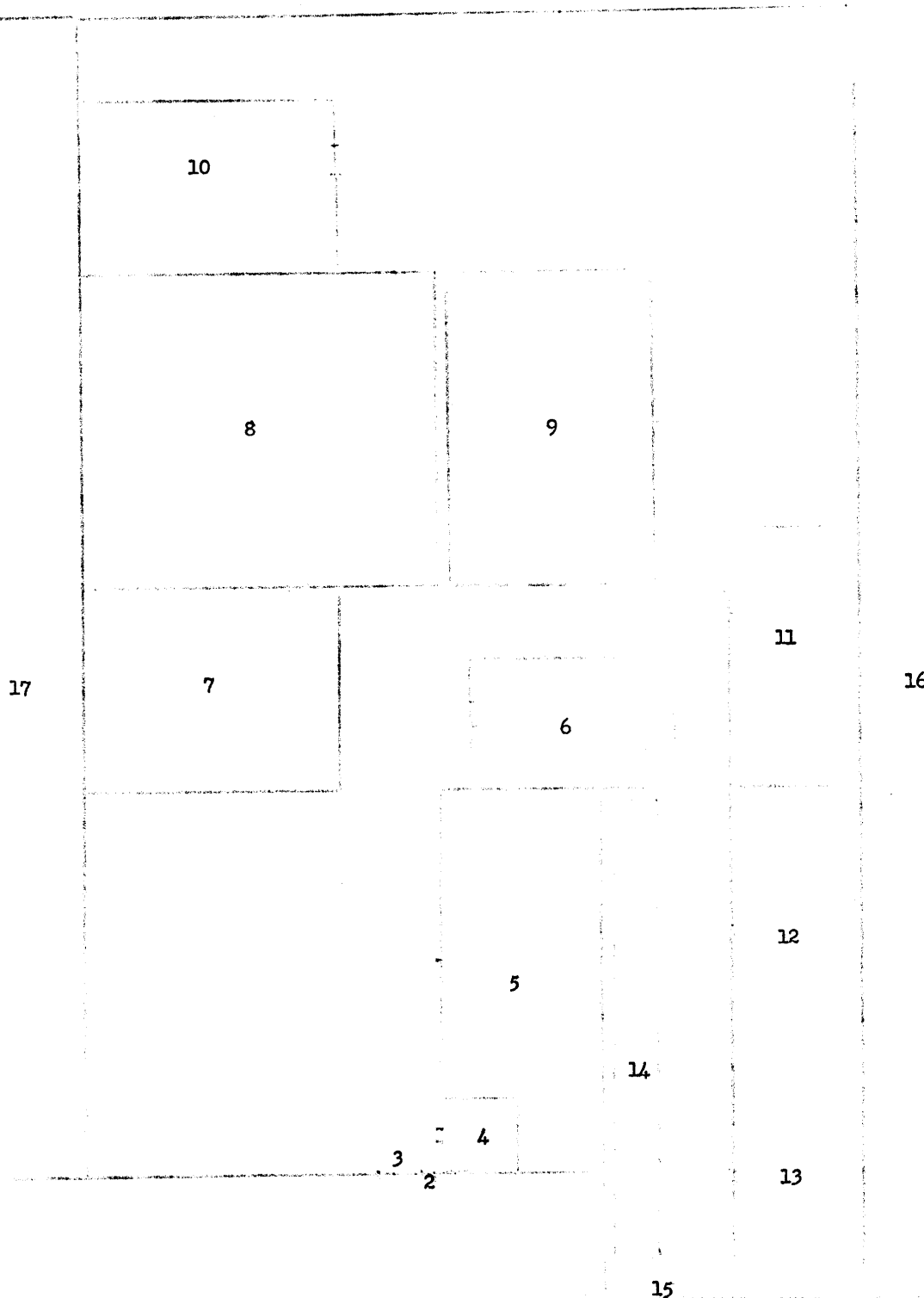
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- 5 -

25X1

Annex: Sketch-plan of the Borsod District Engineering Factory, Miskolc



1

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